

## Message Text

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ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 EA-06 SP-02  
PM-03 INR-05 CIAE-00 DODE-00 PRS-01 DHA-02 L-01  
EB-03 OMB-01 TRSE-00 ACDA-10 OES-02 IO-06 /070 W  
-----172027Z 046086 /63

P R 171819Z MAY 77  
FM USMISSION EC BRUSSELS  
TO SECSTATE WASHDC PRIORITY 3819  
INFO ALL EC CAPITALS  
AMEMBASSY OTTAWA  
AMEMBASSY TOKYO

C O N F I D E N T I A L SECTION 1 OF 2 EC BRUSSELS 05031

LIMDIS

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E.O. 11652: XGDS-1  
TAGS: EEC, ECON, ETRD, MNUC, CIEC, ENRG, EAID, SHUM, PFOR  
SUBJECT: OWEN BRIEFING FOR EC-FIVE ON DOWNING STREET SUMMIT:  
THE BELGIAN VIEW

1. FOLLOWING IS INFORMAL TRANSLATION OF BELGIAN EMBASSY LONDON  
TELEGRAM (PROVIDED TO US IN CONFIDENCE BY BELGIAN PERMREP  
OFFICIAL) ON UK FOREIGN SECRETARY OWEN'S MAY 10 BRIEFING FOR  
REPRESENTATIVES OF THE FIVE SMALLER EC MEMBER STATES ON THE  
RESULTS OF THE DOWNING STREET SUMMIT (THE BRIEFING WAS ALSO  
ATTENDED BY EC COMMISSION PRESIDENT JENKINS, FRENCH  
FOREIGN MINISTER DE GUIRINGAUD, ITALIAN FOREIGN MINISTER  
FORLANI, DANISH FOREIGN MINISTER ANDERSEN, LUXEMBOURG PRIME  
MINISTER THORN, DUTCH STATE SECRETARY KOOIJMANS, THE IRISH  
AND GERMAN PERMREPS, AND THE DIRECTOR GENERAL OF THE BELGIAN  
FOREIGN MINISTRY):

2. BEGIN TEXT:  
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THE FOREIGN SECRETARY UNDERLINED AT THE OUTSET THAT  
THE SUMMIT COULD BE CONSIDERED A SUCCESS, PRINCIPALLY  
BECAUSE OF THE PERFECT UNDERSTANDING AMONG THE PARTI-  
CIPANTS, AND PARTICULARLY BETWEEN PRESIDENT CARTER ON  
THE ONE HAND AND CHANCELLOR SCHMIDT AND PRESIDENT  
GISCARD D'ESTAING ON THE OTHER. THE FACT THAT ALL

PARTICIPANTS EXPRESSED THEMSELVES FRANKLY ON ALL THE MOST DELICATE POINTS CERTAINLY CONTRIBUTED AS WELL TO A GOOD ATMOSPHERE.

### 3. PROBLEMS DISCUSSED

#### (A) GENERAL ECONOMIC SITUATION:

THE GENERAL ECONOMIC SITUATION WAS THE FIRST POINT COVERED AT THE OPENING OF THE SATURDAY MORNING DISCUSSIONS AND WAS INTRODUCED BY A PRESENTATION FROM JAPANESE PRIME MINISTER FUKUDA. HE RECALLED THE DRAMATIC CRISIS OF 1929/1930 AND THE BREAKDOWN OF THE WORLD ECONOMIC SYSTEM OF THAT TIME, WITH ITS TRAGIC CONSEQUENCES IN THE POLITICAL SPHERE AS WELL. HE EXPRESSED SATISFACTION AT THE FACT THAT THE PRINCIPAL GOVERNMENTS RESPONSIBLE FOR TWORLD ECONOMIC POLICY WERE NOW ACTIVELY WORKING TOGETHER TO AVOID A SITUATION WHERE, AS HAS HAPPENED PREVIOUSLY, THE ECONOMIC CRISIS ESCAPED GOVERNMENTAL CONTROL. THE DISCUSSION TURNED NEXT TO THE ECONOMIC SITUATIONS IN THE VARIOUS PARTICIPATING COUNTRIES AND TO THE POLICIES WHICH THOSE GOVERNMENTS HAVE IN FORCE TO COMBAT THE THREATS OF INFLATION AND UNEMPLOYMENT. PRESIDENT CARTER WAS QUESTIONED, IN THIS REGARD, ON HIS GOVERNMENT'S ECONOMIC AND FINANCIAL POLICY AND ON THE POSSIBLE REPERCUSSIONS ON AMERICAN ECONOMIC GROWTH FROM HIS NEW TAX POLICY. THERE WAS ALSO DISCUSSION, IN THIS REGARD, OF STRUCTURAL REFORMS FOR DEALING MORE EFFECTIVELY WITH THESE DIFFICULTIES. ATTENTION WAS ALSO

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GIVEN TO UNEMPLOYMENT AMONG YOUNG PEOPLE AND TO MEASURES WHICH MIGHT BE TAKEN TO DEAL WITH THAT PROBLEM EFFECTIVELY. THE PARTICIPANTS ALSO EXAMINED PROGRESS TOWARD ATTAINING GROWTH RATES RECOMMENDED BY THE OECD.

#### B. NUCLEAR PROBLEMS:

OWEN ADMITTED THAT THIS QUESTION WAS THE SUBJECT OF VERY DIFFICULT DISCUSSIONS. AT THE CENTER OF THESE WAS THE NEW AMERICAN POLICY DISCOURAGING DEVELOPMENT OF PRESENT NUCLEAR TECHNOLOGY, NOT ONLY BY THE UNITED STATES, BUT ALSO BY ITS PARTNERS, IN ORDER TO AVOID RISKS OF NUCLEAR PROLIFERATION. THIS POLICY IS MEETING STRONG OBJECTIONS IN JAPAN AND IN OTHER COUNTRIES. THE IMPRESSION COMING OUT OF THIS EXCHANGE OF VIEWS IS THAT WASHINGTON WOULD BE PREPARED TO ABANDON ITS NEGATIVE ATTITUDE WITH RESPECT TO THE MAINTENANCE OR THE EXPANSION OF NUCLEAR EQUIPMENT OUTSIDE THE UNITED STATES IF ADEQUATE SAFEGUARDS ARE PROVIDED AGAINST PROLIFERATION. IN THE MEANTIME, THE AMERICAN

GOVERNMENT WOULD CONTINUE TO PROVIDE FOREIGN COUNTRIES WITH NECESSARY FISSILE MATERIALS TO SATISFY THEIR ENERGY REQUIREMENTS. THE UNITED STATES WILL PROCEED TO ORGANIZE WITH SOME TWENTY-FIVE COUNTRIES AN IN-DEPTH EVALUATION OF THE NUCLEAR FUEL CYCLE. AS FOR THE SAFEGUARDS PROBLEM, IT WILL BE THE SUBJECT OF NEW DISCUSSIONS ON GUIDELINES IN LONDON THIS JULY. DE GUIRINGAUD ADDED THAT THE US POSITION ON NUCLEAR POLICY SEEMED TO BE MORE FLEXIBLE THAN EXPECTED, COUNTENANCING THE CONTINUED MAINTENANCE OF ENRICHMENT AND NUCLEAR REPROCESSING CAPACITIES IN OTHER COUNTRIES. BUT THERE SHOULD BE NO ILLUSIONS--THE UNITED STATES WILL BE ONLY SATISFIED WITH PALPABLE, NOT THEORETICAL, ASSURANCES.

(C) NORTH-SOUTH DIALOGUE:

THIS SUBJECT WAS INTRODUCED IN GENERAL TERMS  
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BY PRESIDENT GISCARD D'ESTAING. THE UNITED STATES DECLARED THAT IT WAS PREPARED TO MEET THE EUROPEAN POSITION ON A COMMON FUND, BUT WAS NOT YET READY TO BE MORE EXPLICIT ON THIS POINT, GIVEN ITS DESIRE TO HOLD IN RESERVE UNTIL THE UPCOMING DIALOGUE IN PARIS THE ANNOUNCEMENT OF ITS POLICY ON THIS SUBJECT. OWEN INDICATED THAT, WHEN NORTH/SOUTH RELATIONS WERE DISCUSSED AGAIN ON THE SECOND DAY, JENKINS REQUESTED THAT THE UNITED STATES MAKE AN ADDITIONAL EFFORT TOWARD MULTILATERAL AID TO THE THIRD WORLD. IT WAS AT THIS STAGE THAT THE NEED WAS RECOGNIZED TO CALL UPON (AND THIS WAS INCLUDED IN THE COMMUNIQUE) THE EASTERN EUROPEAN STATES - PRINCIPALLY THE SOVIET UNION - ALSO TO CONTRIBUTE SUBSTANTIAL AID TO THE THIRD WORLD.

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FM USMISSION EC BRUSSELS  
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C O N F I D E N T I A L SECTION 2 OF 2 EC BRUSSELS 05031

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AS FOR ENERGY PROBLEMS, THEY WERE NOT COVERED IN ANY  
DEPTH, AND THE DISCUSSIONS ON THIS SUBJECT WERE TIED  
ABOVE ALL TO NUCLEAR PROBLEMS.

4. PRESENTATION BY THE COMMISSION PRESIDENT  
INVITED BY OWEN TO SPEAK ON QUESTIONS COVERED DURING  
THE SECOND DAY, JENKINS OFFERED THE FOLLOWING  
REFLECTIONS:

(A) NORTH-SOUTH DIALOGUE

AMONG THE POSITIVE ATTITUDES MANIFESTED BY  
THE UNITED STATES CAN BE CITED:

--FIRST, THE FACT THAT THEY HAD ACCEPTED IN  
PRINCIPLE THE IDEA OF A "COMMOND FUND", ALONG THE LINES  
OF WHAT THE NINE HAD RECOMMENDED AT THE ROME EUROPEAN  
COUNCIL;

--SECOND, THE AMERICAN COMMITMENT TO DOUBLE ITS  
OFFICIAL AID BETWEEN NOW AND 1981;

--THIRD, WASHINGTON'S AGREEMENT TO AN INTERNATIONAL  
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STUDY OF AN EXPORT EARNINGS STABILIZATION SCHEME.  
ON THE NEGATIVE SIDE, JENKINS SINGLED OUT THE  
AMERICAN POSITION ON "APECIAL ACTION" WITH RESPECT TO  
THE POOREST THIRD WORLD STATES, AS RECOMMENDED BY THE  
NINE, AND THE FACT THAT WASHINGTON UNEXPECTEDLY OPPOSED  
ALL MULTILATERAL ACTION IN THIS AREA IN DEFERENCE TO  
EXPECTED OPPOSITION FROM CONGRESS. IN SUBSTANCE, THE  
UNITED STATES WOULD LIKE TO GIVE ANY SPECIAL ACTION A  
SUPPLEMENTARY CHARACTER AND NOT TIE IT TO SPECIFIC  
PROJECTS. ONE CAN, ON THE OTHER HAND, CONSIDER THAT  
THE AMERICAN GOVERNMENT WOULD BE PREPARED TO CONTRIBUTE  
ON THE ORDER OF 37.5 PER CENT OF THE ENVISAGED ONE BILLION  
DOLLAR SUM FOR SPECIAL ACTION.

(B) MULTILATERAL TRADE NEGOTIATIONS:

ACCORDING TO JENKINS, THE EUROPEAN PARTICIPATANS  
PRESSED THE UNITED STATES FOR AN EARLY START IN NEGOTIATIONS  
AND TO PURSUE THEM VIGOROUSLY, WITHOUT, HOWEVER, PUSHING FOR

THEIR CONCLUSION AT AN EARLY DATE; THE IDEA WOULD OBVIOUSLY BE THAT THEY MIGHT BE THE SUBJECT OF ANOTHER MINISTERIAL MEETING IN 1977. MORE SPECIFICALLY, JENKINS SPOKE OF THE DIFFICULTIES WHICH COULD RESULT FROM THE FACT THAT THE EC ALREADY HAS IN FORCE A VERY LOW COMMON TARIFF AND THAT AGRICULTURAL PROBLEMS PRESENT DIFFICULTIES FOR THE COMMUNITY. ON THE WHOLE, JENKINS CONSIDERS THAT THE LONDON ECONOMIC SUMMIT CAME OUT IN FAVOR OF FURTHER TANGIBLE PROGRESS IN 1977 IN THE MULTILATERAL TRADE NEGOTIATIONS.

##### 5. MISCELLANEOUS

AFTER THANKING THE FOREIGN SECRETARY FOR HIS CARE IN INFORMING HIS COLLEAGUES AMONG THE NINE, CERTAIN MINISTERS QUESTIONED OWEN ON PARTICULAR POINTS OF HIS PRESENTATION:

(A) ANDERSEN WAS TOLD THAT THE ACCEPTANCE BY THE SEVEN LONDON PARTICIPANTS OF A "COMMON FUND" DID NOT NECESSARILY IMPLY THE CHOICE OF AN OWN-RESOURCES FORMULA FOR THE FUND. HE WAS ALSO TOLD THAT THE AMERICAN PLAN FOR AN "OIL TANKERS PREFERENCE BILL" WAS CONFIDENTIAL

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NOT ADDRESSED IN THE COURSE OF DISCUSSIONS ON THE MULTILATERAL TRADE NEGOTIATIONS. ANDERSEN ALSO ASKED IF THE ROME FORMULA FOR COMMUNITY REPRESENTATION AT THE LONDON SUMMIT HAD BEEN RESPECTED DURING THIS MEETING. JENKINS POINTED OUT THAT THE ROME AGREEMENT REPRESENTED, IN HIS VIEW, AN UNTIDY COMPROMISE, WHICH COULD NOT BE COMPLETELY SATISFACTORY. IT APPEARED THAT THE COMMUNITY HAD BEEN EXCLUDED FROM POLITICAL DISCUSSIONS. BEFORE THE SUMMIT, IT HAD BEEN ENVISAGED TO EXCLUDE THE COMMISSION PRESIDENT FROM DISCUSSIONS OF PURELY POLITICAL TOPICS, LIKE AFRICA AND HUMAN RIGHTS. JENKINS REGRETTED HAVING TO SAY THAT, WHILE HE HAD BEEN ABLE TO PARTICIPATE IN DISCUSSIONS OF THE NORTH/SOUTH DIALOGUE AND THE MULTILATERAL TRADE NEGOTIATIONS, HE HAD BEEN EXCLUDED FROM DISCUSSION OF A PROBLEM WHICH SEEMED TO HIM LARGELY ECONOMIC: ENERGY. THIS LAST REMARK OF JENKINS' LED TO AN INTERJECTION BY DE GIRINGAUD, WHO STRESSED THAT DEBATE ON ENERGY PROBLEMS CENTERED ON THE DANGER OF NUCLEAR PROLIFERATION, A CLEARLY POLITICAL SUBJECT.

(B) THORN ASKED IF HUMAN RIGHTS WERE BROUGHT UP.

OWEN CONFIRMED THAT THEY HAD, INDICATING THAT DISCUSSION OF THIS SUBJECT HAD BEEN VERY BRIEF AND HAD BEEN INTRODUCED BY THE EUROPEAN STATES, WHO QUESTIONED PRESIDENT CARTER ON POSITIONS HE HAD RECENTLY TAKEN.

(C) FINALLY, KOOIJMANS TRIED TO OBTAIN FROM OWEN CLARIFICATION ON THE REFERENCE IN THE COMMUNIQUE TO A STUDY OF NUCLEAR ENERGY PROBLEMS IN RELATION TO DANGERS OF PROLIFERATION. HE WAS TOLD ONLY THAT THIS STUDY WOULD BE UNDERTAKEN BY THE SEVEN, THAT IT WAS AGREED

THAT THE STUDY SHOULD BE COMPLETED QUICKLY, AND THAT IT  
WOULD, TO A CERTAIN EXTENT, BE TIED TO THE LONDON DISCUSSION  
OF "GUIDELINES." END TEXT.

6. SEE SEPTELS FOR UK REPORT ON OWNE BRIEFING AND UK  
PERMREP COMMENTS ON EC PARTICIPATION IN DOWNING STREET  
SUMMIT FOLLOW-UP. FRENCH TEXT OF ABOVE BELGIAN  
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## Message Attributes

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